

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 16627 01 OF 02 071148Z

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 EA-07 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
FEAE-00 OMB-01 SIL-01 XMB-02 OPIC-03 /113 W
-----071234Z 096381 /45

R 071134Z JUN 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3672

INFO AMEMBASSY LONDON

USMISSION GENEVA

AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 16627

USEEC, USMTN

LONDON PASS TO ASSISTANT SECRETARY WEIL JUNE 8

E.O. 11652: N/A

TAGS: EGEN, BGEN, MTN, EEWTN FR

SUBJECT: FRENCH INDUSTRIAL AND TRADE POLICY:

MEETING BETWEEN COMMERCE ASSISTANT SECRETARY WEIL
AND FRENCH DIRECTOR GENERAL OF INDUSTRY DE L'ESTOILE.

1. DURING A COURTESY CALL JUNE 6, USDOC ASSISTANT
SECRETARY FRANK A. WEIL (ACCOMPANIED BY THE
COMMERCIAL COUNSELOR) HAD A WIDE RANGING DISCUSSION
WITH FRENCH DIRECTOR GENERAL OF INDUSTRY
HUGHES DE L'ESTOILE. THE MEETING TOUCHED ON THE
MTN, THE ZENITH CASE, SHOES AND TEXTILES,
FRENCH GOVERNMENT PROCUREMENT POLICY, AND
THE DE L'ESTOILE VISIT TO THE US LATER THIS MONTH.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 16627 01 OF 02 071148Z

2. DE L'ESTOILE STARTED THE MEETING BY COMMENTING
THAT FRANCE FINDS ITSELF SQUEEZED BETWEEN THE
DEVELOPING COUNTRIES AND THOSE WHICH ARE MORE
DEVELOPED THAN FRANCE, NOTABLY THE US AND JAPAN.
UNLESS FRANCE CAN EXPAND ITS EXPORTS TO THE DEVELOPED
MARKETS IT WILL BE UNABLE TO PURSUE AN OPEN POLICY
ON IMPORTS FROM THE LDCS. THUS MEANS MUST BE FOUND

IN THE MTN AND OTHER FORUMS, INCLUDING BILATERAL DISCUSSIONS, TO FACILITATE FRENCH ACCESS TO DEVELOPED MARKETS. DE L'ESTOILE SAID THAT FRANCE MAKES A DISTINCTION BETWEEN HER DEVELOPING AND DEVELOPED TRADING PARTNERS AND BELIEVES THAT BILATERAL AND MULTILATERAL ARRANGEMENTS MUST BE STRUCTURED DIFFERENTLY FOR EACH CATEGORY. ESSENTIALLY NORTH/SOUTH ARRANGEMENTS LIKE THE MFA SHOULD BE SUPPLEMENTED BY ORDERLY MARKETING UNDERSTANDINGS AMONG THE DEVELOPED COUNTRIES. THIS IS PARTICULARLY IMPORTANT FOR THE POLITICALLY SENSITIVE (I.E. LABOR-INTENSIVE) INDUSTRIAL SECTORS SUCH AS STEEL, SHOES, AND TEXTILES. DE L'ESTOILE REHEARSED THE FAMILIAR FRENCH ARGUMENTS ABOUT PEAKS IN THE US TARIFF STRUCTURE WHICH TEND TO INHIBIT FRENCH MARKET ACCESS ON PRODUCT LINES OF PARTICULAR IMPORTANCE TO FRANCE, NOTABLY CONSUMPTION GOODS SUCH AS TEXTILES. HE EXPRESSED THE HOPE THAT IT WILL BE POSSIBLE IN THE MTN TO MAKE A SUBSTANTIAL REDUCTION IN THESE HIGH TARIFFS.

3. WEIL RESPONDED THAT MOST OF THE PROBLEMS FACING LABOR-INTENSIVE INDUSTRIES IN FRANCE ALSO AFFECT THE UNITED STATES. WE HAVE TRIED TO AVOID IMPORT RESTRAINTS, BUT SOME INDUSTRIES (E.G. SHOES) PRESENT SPECIAL PROBLEMS. WE ARE ALSO CONCERNED ABOUT THE ARRAY OF NEW EXPORT PROMOTION DEVICES THAT DISTORT FREE COMPETITION IN THIRD COUNTRY MARKETS. THESE INCLUDE DIFFERING TAX SYSTEMS, VARIOUS FORMS OF DIRECT AND INDIRECT SUBSIDIES, AND COMPLEX PACKAGE DEALS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 16627 01 OF 02 071148Z

NEGOTIATED THROUGH THE COOPERATION OF GOVERNMENT AND INDUSTRY IN THE EXPORTING COUNTRIES WHICH ARE DIFFICULT FOR OTHER COUNTRIES TO COMPETE AGAINST. THESE PROBLEMS SHOULD BE DEALT WITH IN THE MTN. HE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 16627 02 OF 02 071208Z
ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
FEAE-00 OMB-01 SIL-01 XMB-02 OPIC-03 /106 W
-----071234Z 096545 /45

R 071134Z JUN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3673
INFO AMEMBASSY LONDON
USMISSION GENEVA
AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 16627

USEEC/MTN

UNDERSTANDS THE DISQUIET OF THE EC AND OTHER SUPPLIERS
OVER THE IMPLICATIONS OF THE ZENITH CASE, BUT REMINDED
DE L'ESTOILE OF THE ADMINISTRATION'S DETERMINATION TO
AVOID THE APPLICATION OF COUNTERVAILING DUTIES TO
OFFSET VAT REBATES. HE ADDED, HOWEVER, THAT THE
DIFFERENCES BETWEEN THE US AND FOREIGN TAX SYSTEMS
CREATE INTERNATIONAL TRADE PROBLEMS WHICH MUST
EVENTUALLY BE ADDRESSED IF US EXPORTERS ARE TO GET
A FAIR DEAL.

4. WHEN ASKED ABOUT THE GOF GOVERNMENT PROCUREMENT
POLICY AFFECTING COMPUTERS, DE L'ESTOILE SAID THAT THE
GOF HAS NO FIRM COMMITMENT TO ALLOCATE A FIXED PORTION
OF THE PUBLIC SECTOR'S MARKET TO ITS PROTEGE CII-
HONEYWELL BULL, BUT HAS "PROJECTED" THAT CII-HB WOULD
GET ROUGHLY HALF (I.E. ABOUT \$800 MILLION) OF THE PUBLIC
SECTOR MARKET OVER THE NEXT FOUR YEARS AND GOF POLICY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 16627 02 OF 02 071208Z

WILL SEEK TO MAKE THIS PROJECTION MATERIALIZE PROVIDED
CII-HB DEMONSTRATES THAT IT IS GENUINELY COMPETITIVE
BY MAINTAINING ITS CURRENT LEVEL OF EXPORTS AT ROUGHLY
50 PERCENT OF TOTAL PRODUCTION.
DE L'ESTOILE SAID HE DISTINGUISHES BETWEEN GOVERNMENT
ENTERPRISES WHICH ARE ESSENTIALLY NON-PROFIT IN
CHARACTER (SUCH AS THE SPACE RESEARCH AGENCY CNES)
AND THOSE WHICH MUST COMPETE IN THE WORLD MARKET SUCH
AS RENAULT. THE FORMER WILL BE EXPECTED TO USE CII-HB
EQUIPMENT TO THE MAXIMUM EXTENT POSSIBLE EVEN IF IT
MEANS COSTLY CONVERSION TO NEW SOFTWARE; THE LATTER
WILL BE PERMITTED TO BUY THE EQUIPMENT WHICH BEST

SUITS THEIR NEEDS. HE STATED SPECIFICALLY THAT HE WILL SOON AUTHORIZE RENAULT TO PROCURE A THIRD IBM COMPUTER.

5. WEIL ASKED ABOUT THE GOF POLICY ON EXPORTS OF COMPUTERS TO THE COMMUNIST COUNTRIES. DE L'ESTOILE RESPONDED THAT FRANCE OPERATES WITHIN COCOM RESTRAINTS BUT THAT HE PERSONALLY SEES A DISTINCTION BETWEEN EDP HARDWARE AND THE UNDERLYING TECHNOLOGY. HE WOULD LIKE TO SEE A FREER POLICY ON THE FORMER BUT A CONTINUED TIGHT HOLD ON THE LATTER. MR. WEIL INDICATED SOME SYMPATHY FOR THAT CONCEPT BUT PREFERRED TO WITHHOLD JUDGMENT UNTIL HE GETS THE RESULTS OF A REVIEW HE HAS ORDERED ON US EXPORT CONTROL POLICIES AFFECTING EDP EQUIPMENT.

6. WITH REGARD TO HIS US VISIT, DE L'ESTOILE SAID HE WOULD BE SPENDING THREE DAYS IN US IN THE THIRD WEEK OF JUNE - ALL IN WASHINGTON. HIS PURPOSE IS TO GET ACQUAINTED NOT ONLY WITH HIS OPPOSITE NUMBERS IN COMMERCE, STATE AND STR, BUT ALSO WITH POLICYMAKERS IN TRADE ASSOCIATIONS IN LABOR-INTENSIVE INDUSTRIAL SECTORS OF IMPORTANCE TO FRENCH, SUCH AS STEEL, TEXTILES, AND SHOES. HE SEES A NEED FOR AN EXCHANGE OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 16627 02 OF 02 071208Z

VIEWS BETWEEN FRANCE AND THE US ON COMMON PROBLEMS IN THESE INDUSTRIES TO FACILITATE A COMMON POSITION IN THE M MTN. HIS APPOINTMENTS ARE BEING ARRANGED THROUGH COMMERCIAL COUNSELOR BOSSON IN THE FRENCH EMBASSY AND WILL INCLUDE THE LUNCHEON OFFERED BY USDOC UNDER SECRETARY HARMON ON JUNE 22. IF HIS DEPUTY, PHILIPPE ESPER IS NOT AVAILABLE TO ACCOMPANY HIM, ESPER'S ASSISTANT, JACK CIZAIN, WILL REPLACE HIM. CIZAIN AND THE COMMERCIAL COUNSELOR PLAN A MEETING THIS WEEK TO DISCUSS THE ITINERARY AND AGENDA IN MORE DETAIL.

7. THE FOREGOING WAS PREPARED AFTER THE DEPARTURE OF ASSISTANT SECRETARY WEIL.
GAMMON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, POLICIES, TEXT, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS16627
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770202-0544
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770683/aaaacuo.a.tel
Line Count: 214
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a494bf83-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2248722
Secure: OPEN
Status: NATIVE
Subject: FRENCH INDUSTRIAL AND TRADE POLICY: MEETING BETWEEN COMMERCE ASSISTANT SECRETARY WEIL AND FRENCH DIRECTOR GENERAL OF INDUSTRY DE L'ESTOI
TAGS: EGEN, BGEN, ETRD, FR, MTN, (WEIL, FRANK A), (DE L'ESTOILE, HUGHES)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a494bf83-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009